

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** New Communities Portfolio Holder Meeting

25 January 2012

**AUTHOR/S:** Executive Director, Corporate Services

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### REVENUE AND CAPITAL ESTIMATES FOR THE NORTHSTOWE AND NEW COMMUNITIES PORTFOLIO

#### Purpose

1. The purpose of this report is to enable the Northstowe and New Communities Portfolio Holder to consider the Revenue Estimates for 2012/13 and the Capital Programme up to 2016/17, relating to services within the Northstowe and New Communities Portfolio.
2. This is not a key decision; however, the report presents the relevant estimates for endorsement by the portfolio holder, prior to being included as part of the overall estimates to be presented to Cabinet and confirmed by Council in February 2012.

#### Recommendations

3. That the Northstowe and New Communities Portfolio Holder:
  - (a) endorses the Revenue Estimates for 2012/13 and the Capital Programme up to 2016/17, relating to services within the Northstowe and New Communities Portfolio, and recommends them for consideration by Cabinet;
  - (b) considers recommending that an amount be included in Precautionary Items in respect of Neighbourhood Planning.

#### Reasons for Recommendations

4. The draft estimates for all the services of the Council need to be considered and endorsed by the relevant portfolio holders, in order to be collated and presented to the Scrutiny and Overview Committee on 6 February 2012 and to Cabinet on 9 February 2012 – the final approval of the estimates and the levels of council tax and rents will be decided by the Council on 23 February 2012.

#### Background

5. The estimates for the Northstowe and New Communities Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include the following services:
  - (a) Community Development;
  - (b) Sports Development;
  - (c) Arts Development;
  - (d) Growth Agenda;
  - (e) Planning Policy.
6. The Finance and Staffing Portfolio Holder approved the Staffing and Central Overhead Accounts Estimates on 20 December 2011. The recharges approved at that meeting are shown as "Central, Departmental and Support Services" in the detailed estimates attached and the analysis reflects the current service structure. It

should be noted that, as all the recharges have already been approved, individual portfolio holders cannot amend them.

7. The estimates for each portfolio are being reported to the relevant portfolio holder. These estimates will then be summarised in a report for examination by the Scrutiny and Overview Committee on 6 February 2012, consideration by Cabinet on 9 February 2012 and finally presentation to the Council on 23 February 2012 for confirmation of the estimates and levels of council tax and rents.
8. The Revenue Estimates are set out in **Appendix A**, while the Capital Programme is shown at **Appendix B**.
9. No automatic inflation allowance has been applied to the 2012/13 estimates – provisions for inflation have been applied to individual estimates only in cases where price increases can be justified. (The Medium Term Financial Strategy assumed an inflation rate of 2.5% overall.)
10. Where applicable, the estimates of each portfolio take account of any rollover of budget from the previous year and virement made during the year; they also incorporate expenditure approvals by Cabinet and Council up to November 2011.
11. All the estimates exclude the small number of “Precautionary Items” that are listed at the back of the current estimate book. These are specific, exceptional items of expenditure, which may or may not occur during the budget period, but if they did the Council would be required to meet them. An updated list will be presented to Cabinet on 9 February 2012 and one has been identified for this portfolio in respect of Neighbourhood Planning (see paragraph 19 (b) below).

## Considerations

### REVENUE ESTIMATES: REVISED 2011/12 AND ESTIMATES 2012/13

12. The Revenue Estimates for this portfolio are shown at **Appendix A**. The most significant reason for the decreases in the 2011/12 revised estimate and the 2012/13 estimate relate to changes in Central, Departmental and Support Services resulting from the cessation of Cambridgeshire Horizons funding for New Communities staff posts previously charged 100% to Growth Agenda. Approximately £440,000 of costs have been re-allocated across the Council’s services, primarily to the Development Control estimates in the Sustainability, Planning and Climate Change Portfolio (see paragraph 20 below).
13. The total estimates have been analysed between direct costs, capital charges, recharges and partnership funded costs, so that the direct costs can be identified for comparison. This is considered appropriate because the direct costs are specifically within the control of the relevant cost centre manager. By contrast, capital charges are notional charges that do not affect the overall expenditure of the Council, the Staffing and Central Overhead Accounts Estimates determine the recharges and partnership costs are offset overall across the Council. Compared with the 2011/12 original estimates, the net direct costs reduced by £64,160 in the revised estimates and by £9,500 in the 2012/13 estimates.
  - (a) The 2011/12 decrease is mainly due to the transfer of Community Development Grants to the Community Chest under the Leader’s Portfolio (£10,000), a contribution towards Growth Agenda consultancy costs (£12,710) and changes in the timing of work related to the Local Plan £40,700).

- (b) The 2012/13 decrease mainly comprises the transfer of Community Development Grants to the Leader's Portfolio (£10,000) and the cessation of Elite Athlete Award Grants (£20,000), offset by increased costs resulting from changes in the timing of work related to the Local Plan (£22,500).
14. Comments on the individual estimate headings are given in the paragraphs 15 to 19. All comparisons therein are made with the 2011/12 original estimates. All the 2012/13 estimates include an element of inflation, where necessary. A general overview of the recharges is given in paragraph 20 below.
15. Community Development:  
(a) The increase reflects more time being spent on Community Development Projects, offset by the transfer of the previous Community Development grants budget (£10,000) to the Community Chest under the Leader's Portfolio.
16. Sports Development:  
(a) The reduction reflects the ending of Grants for Elite Athletes (£20,000)
17. Arts Development:  
(a) The ending of Partnership Funding support is mirrored in reduced budgets.
18. Growth Agenda:  
(a) The decreases are mainly the result of changes in Central, Departmental and Support Services charges, as explained in paragraph 12 above. The main changes to project budgets are shown in sub-paragraphs (b) to (f) below.  
(b) Orchard Park Improvements: Project costs of £7,500 in 2011/12, funded from a reserve.  
(c) Consultancy funded by English Partnership Grant: The use of this budget (£33,510), funded from a reserve, has been deferred to 2012/13.  
(d) Northstowe Viability Study: This study will cost £25,000 in both 2011/12 and 2012/13, to be funded by Cambridgeshire Horizons.  
(e) Cambridgeshire Horizons Grant: Funding of £43,000 in 2011/12 and £227,000 in 2012/13 for the new dedicated Northstowe team.  
(f) Gallagher Estates – contribution to consultancy costs: A contribution of £12,710 in 2011/12 in respect of the Orchard Park viability study and boundary review and first year parish costs.
19. Planning Policy:  
(a) The variances primarily reflect the timing of the studies, reviews and other work required during the years in which the Local Plan will be prepared.  
(b) The budget does not include any provision for Neighbourhood Planning, due to come into effect on 1 April 2012. Local planning authorities will have a duty to help parishes draw up their neighbourhood plans, but it is not yet known which ones may want to bring forward a plan, nor the resources that would be required to assist them in the process. Neighbourhoods will be encouraged wherever possible to bring forward proposals for inclusion in the South Cambridgeshire Local Development Plan, rather than as a separate neighbourhood plan. The Government has committed to providing £50m until March 2015 to support local councils, but has not yet said how this funding will be made available to individual authorities. Local planning authorities may be allowed to levy charges on developments to recoup some of the costs involved, but those regulations have not yet been consulted on. ***The portfolio holder is therefore invited to consider recommending that an amount be included in Precautionary Items to cover such expenditure.***

20. Central, Departmental and Support Services: As stated in paragraph 12 above, the variance in 2011/12 mainly results from New Communities staff posts previously funded from Cambridgeshire Horizons and charged 100% to Growth Agenda. As that funding has now ceased, the costs (approximately £440,000) have been re-allocated across the Council's services (primarily to the Development Control estimates in the Sustainability, Planning and Climate Change Portfolio). The 2012/13 estimate also reflects the dedicated Northstowe team (approximately £230,000), the cost of which is offset by new grant funding shown under Income.

**CAPITAL ESTIMATES: REVISED 20010/11 AND ESTIMATES 2011/12 TO 2015/16**

21. The capital programme for this portfolio, which is attached at **Appendix B**, comprises the Rampton Drift Demonstrator Project, which is due to finish in the current financial year, and the River Cam Project, funded by grant, which will be completed in 2012/13.

**Implications**

22. Financial	The financial implications resulting from this report are set out in paragraphs 12 to 21 above. (a) The Revenue Estimates for the General Fund services of this portfolio will be included in the General Fund Summary of estimates along with the expenditure of other portfolios. (b) The Capital Programme estimates for this portfolio will be included in the Council's Capital Programme.
Legal	There are no direct legal implications resulting from this report. The estimates show the financial effect of decisions that have already been made.
Staffing	There are no additional staffing implications resulting from this report. The estimates reflect staffing decisions previously made.
Risk Management	These estimates need to be endorsed so that they can be included in the General Fund Summary to be presented to Cabinet and confirmed by Council in February 2012.
Equality and Diversity	There are no direct equality and diversity implications resulting from this report. Equality and diversity issues will have been considered in the decisions which these estimates reflect.
Equality Impact Assessment completed	No As above.
Climate Change	There are no direct climate change implications resulting from this report. Climate change issues will have been considered in the decisions which these estimates reflect.

**Consultations**

23. The relevant cost centre managers, who are responsible for setting the level of their respective budgets and controlling the expenditure within them, have been consulted in the compilation of the estimate figures.

**Consultation with Children and Young People**

24. None

## Effect on Strategic Aims

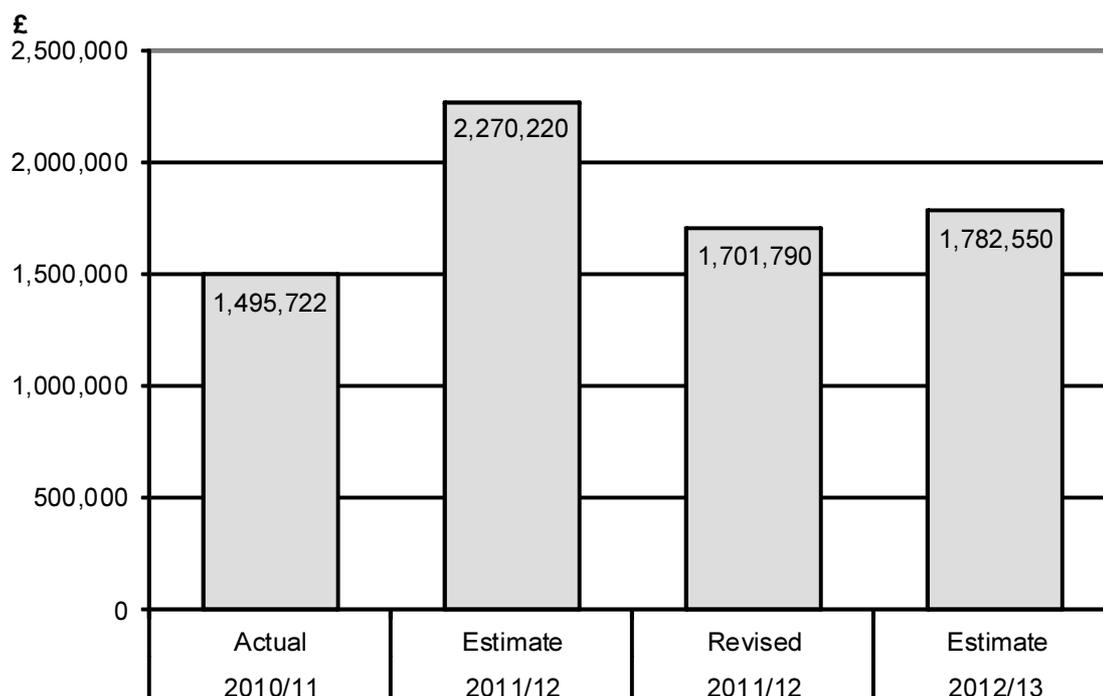
25. To determine detailed Northstowe and New Communities Portfolio budgets to provide the resources for the Council to continue its services to achieve its strategic aims as far as possible within the current financial constraints.

## Conclusions / Summary

26. The total net expenditure as shown at **Appendix A** is reproduced below to show the percentage changes between budgets.

<b>Year</b>	<b>Amount £</b>	<b>Change £</b>	<b>Change %</b>
2010/11 Actual	1,495,722		
		+ 774,498	+ 51.8%
2011/12 Estimate	2,270,220		
		- 568,430 }	- 25.0% }
2011/12 Revised	1,701,790	} - 487,670	} - 21.5%
		+ 80,760 }	+ 4.7% }
2012/13 Estimate	1,782,550		

These comparisons are shown diagrammatically below:



27. The increase in expenditure of £774,498 from 2010/11 actual expenditure to the 2011/12 original estimate was largely as a result of the cessation of Cambridgeshire Horizons funding re the Growth Agenda (£629,000) and changes in the timing of Planning Policy work (£102,000).
28. The decreases of £568,430 and £487,670 in the 2011/12 revised estimate and the 2012/13 estimate respectively, compared with the 2011/12 original estimate are mainly due to the change in Central, Departmental and Support Services charges, as explained in paragraph 12 above.

29. The other main reasons for the decreases in the 2011/12 revised estimate and the 2012/13 estimate are explained in paragraphs 15 to 19 above.

**Background Papers:** the following background papers were used in the preparation of this report:

Estimates files within Accountancy Services

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